श्री एम0 वेंकैया नायडु : कांग्रेस कहां से आ गई ? ...(**व्यवधान**)...

MR. CHAIRMAN: Please ..*(Interruptions)*.. Mrs. Karat, please ..*(Interruptions)*.. I request you to resume your places. ..*(Interruptions)*.. Dr. Malaisamy, does your supplementary relate to this question? ..*(Interruptions)*.. It relates to Punjab? ..*(Interruptions)*..

DR. K. MALAISAMY: Sir, it directly relates to this question. ..*(Interruptions)*.. I will come to this. ..*(Interruptions)*.. Sir, as far as the scheme is concerned, the CAG has conducted a performance audit some time back. During the audit, the auditor has made an observation that though the scheme is laudable in letter and spirit, it has been badly implemented. I mean, he has illustrated it in several ways. On of the ways that, I am coming to the question, the person who is seeking employment after he is registered. But he has not been given the employment. With the result he has to wait. The law says, the Act says that during the time of non employment after registration, he has to be paid. But he has not been paid.

MR. CHAIRMAN: What's the question?

DR. K. MALAISAMY: There are several illustrations like this. May I know from the Minister whether these kinds of lapses have been corrected or not?

SHRI C.P. JOSHI: Sir, such lapses have been corrected and the few States have paid the dues as per the provisions of the Act. There are examples of few States which have paid it.

We are adhering to the provision given in the Act. If they are not giving jobs, after 15 days, the State Government is paying unemployment allowance. *(Interruptions)*

MR. CHAIRMAN: All right. *(Interruptions)* No argumentation, please. *(Interruptions)* No arguments. Question No.164.

Rise in prices

*164. SHRI RAJEEV SHUKLA:††
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether rising prices of food articles and certain manufactured items have pushed up inflation past the one per cent mark to 1.21 per cent in October, 2009;

(b) whether having remained in negative territory for 13 straight weeks during 2009, mainly owing to high base effect, the whole-sale price index based inflation changed its course to move into the positive zone in the month of September;

(c) if so, the reasons therefor; and

(d) what are the steps taken by Government to control rise of prices to check inflation?

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††The question was actually asked on the floor of the House by Shri Rajeev Shukla.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (d) The overall inflation based on Wholesale Price Index (WPI) (Base 1993-94=100) for October, 2009 was 1.34 per cent. During the same month the WPI inflation in the three broad categories of Primary Articles; Fuel, Power, Light and Lubricants; and Manufacturing Products were as under:

Table: Inflation for broad categories of WPI

Month-year	Weight (%)	WPI based Inflation (%) October, 2009
Primary Articles	22.02	8.71
Of which Food Articles	15.40	13.32
Fuel, Power, Light and Lubricants	14.23	-6.55
Manufacturing Products	63.75	1.36
Overall WPI	100.00	1.34

P: Provisional

As per the provisional figures for the WPI released by Department of Industrial Policy and Promotion (DIPP), the WPI inflation was in negative territory for 13 consecutive weeks during June—August, 2009. However, on the basis of final figures made available by DIPP, the WPI inflation was in the negative zone from 6.6.2009 to 15.8.2009 (11 weeks). It is in positive zone, thereafter. The movement of inflation to the positive zone is primarily because of waning of the base effect of last year level and increase in the inflation in primary articles specifically food articles.

The Government has taken several measures to control rise of prices to check inflation which include reducing import duties on wheat, pulses, maize, raw sugar etc.; imposition of stock limits in the case of paddy rice, pulses, sugar; and ban on export of non-basmati rice.

SHRI RAJEEV SHUKLA: Sir, if I go through the reply of the hon. Minister, he has made it very clear that several steps have been taken to control the price rise, which include reducing import duty on several food items and sugar, and imposition of stock limits.

Sir, it appears the problem is basically coming from hoarders, black-marketeers and speculators of essential commodities. I want to know from the hon. Minister whether he has given any direction to the State Governments to keep a check on these people, because primarily the State Governments are responsible to have a look on these people, to keep an eye on these people. What are the steps taken by the Central Government in this regard?

SHRI PRANAB MUKHERJEE: Sir, so far as the question of price rise is concerned, it is a matter of concern to everybody because the common people suffer from it. This trend of inflation is not demand-pull inflation; it is mainly because of the shortage of certain essential commodities. For instance, our total production of pulses is 14.80 million tonnes, while our requirement is 18 million tonnes. This is a shortfall of nearly 3.6 million tonnes. That means 36 lakh tonnes. Very few countries, like Myanmar and Turkey, produce pulses. And those who produce it in the sub-continent like Bangladesh and Pakistan, they themselves consume it and there is no exportable surplus. Similarly, this year sugar availability would be about 16 million tonnes and our requirement would be 23 million tonnes. So there is a shortfall and it is pushing up the prices. Our total production of edible oil is 92.98 million tonnes and our demand is 158.64 million tonnes. That is why we have to import it. In fact, to ameliorate the adverse impact of rising prices, particularly on the vulnerable sections of society, the answer lies in strengthening the Public Distribution System. If we can improve the Public Distribution System, it would be possible for us to substantially provide relief to the vulnerable sections of society, particularly those who are in the BPL category.

So far as the question relating to de-hoarding or taking action against hoarders, black-marketeers, and profiteers is concerned, we are in touch with all the State Governments. The Minister for Agriculture, Food and Public Distribution is having discussion with them from time to time, and they are trying their best. But the problem is still there.

SHRI RAJEEV SHUKLA: Sir, my second supplementary is this. Despite the shortfall in grains, is the Minister still hopeful of having economic growth over six per cent?

SHRI PRANAB MUKHERJEE: Sir, inflation has no direct correlation with growth. Of course, it has some correlation with it. But the fact of the matter is that there is an inflationary pressure in the system. But I started my observations in replying to the question that up to now we did not find that there is any demand-pull inflation or the availability of more supply of money is causing the inflationary trend. It is not. The classical theory that too much money chasing too few goods is not applicable here, because there are genuine shortfalls. It is mainly because of imbalance between demand and supply. The figure available for the last second quarter of the GDP growth is 7.9 per cent, which is quite encouraging. I do hope that if this trend continues, we will surely enter into the high-growth trajectory. But I am not just forecasting anything. I am a bit cautious of making any prediction.

SHRI SANTOSH BAGRODIA: Sir, ...*(Interruptions)*...

MR. CHAIRMAN: Dr. T. Subbarami Reddy.

SHRI SANTOSH BAGRODIA: Sir, I am not asking a question. I am requesting you for something else. Question 170. Can you please club it? Can you check it? It is on the same subject. ...*(Interruptions)*...

DR. T. SUBBARAMI REDDY: Sir, I would like to know one thing. In the year 2008, the inflation went beyond 12 per cent, but our UPA Government has successfully succeeded to bring it down to below zero level; because of that, the entire nation is feeling very happy. ...*(Interruptions)*...

MR. CHAIRMAN: What is the question? ...*(Interruptions)*... What is the question? ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: What is the question? ...*(Interruptions)*...

DR. T. SUBBARAMI REDDY: Let me complete. Why are you impatient? Please listen to me. ...*(Interruptions)*... You keep on shouting; I don't care. ...*(Interruptions)*... If you don't allow me to speak...*(Interruptions)*... Sir, now, ...*(Interruptions)*...

MR. CHAIRMAN: What is the question? ...*(Interruptions)*... Put the question.

DR. T. SUBBARAMI REDDY: The question is, the inflation has now come down to 1.14. Sir, my question is ...*(Interruptions)*... From zero, it is going up; 1.14. There is a poor monsoon; there is a drought; there are floods in the nation. Now, the food article prices are going up. Sir, I would like to know from the hon. Finance Minister what efforts he is going to make to see that the inflation rate will not again grow in future.

MR. CHAIRMAN: Thank you.

SHRI PRANAB MUKHERJEE: Sir, the hon. Member, in one way, is correct that we got some statistical advantage for about 11 weeks where the negative rate of WPI was there. But those are because of the variations of the base years. Actually, it is not that the prices come down certainly. But for making a comparison on a year-to-year basis, with reference to a particular day, sometimes, it happens. So, he is correct in one sense that for 11 weeks, from 6th June to the end of August, there were negative rates of inflation so far as WPI is concerned.

SHRI SITARAM YECHURY: Sir, the hon. Minister has, in his reply, given us data which suggests that the whole sale price index of food articles has gone up. It is now up 13.32 per cent. If you actually take the retail price, which is the consumer price index, it is nearly 20 per cent. The hon. Minister has also given us the reasons for that. Because of shortages, there is a pressure on the prices to rise. And that requires greater infrastructural investments in agriculture. That is a separate issue; I am not going into that. I am happy that he has talked about strengthening the PDS. But that is just not happening. The price-rise is, actually, a very, very serious burden on the livelihood of the vast majority of our people. In this context, the additional factor that is pushing up the prices much beyond what the shortages should warrant is the speculation in trading. Will the hon. Minister give an assurance to this House to ban this speculation in trading? Will the Minister consider banning the futures trading and speculative trading in essential commodities and (b) take measures to ensure that all essential commodities will go through. ...*(Interruptions)*...

MR. CHAIRMAN: One question please.

SHRI SITARAM YECHURY: One question, Sir. ...*(Interruptions)*... Only one question. Both are part of the same question, Sir! Ban the essential commodities from speculative trading and include all essential commodities in the Public Distribution System.

MR. CHAIRMAN: That is three questions in one!

SHRI PRANAB MUKHERJEE: Sir, so far as the strengthening of Public Distribution System is concerned and so far as taking action against hoarders and traders is concerned, this power is vested with the State Governments. ...*(Interruptions)*... I can coordinate with them; I can advise them, but the actual execution is to be made by the State Governments.

So far as future trading is concerned, we are keeping a watch on it. A number of items have been put; for a number of dals, rice, the future trading has been banned. Therefore, it is not banned for today. It has been banned for quite some time.

And the third element which we are doing is this. I have stated the two points. As I mentioned, that is mainly because of the imbalance between the supply and the demand we have stopped exports of a large number of times, particularly and essentially the food items; which is the primary concern. If you look at the figure, there itself, you will find that for the manufacturing sector, it is 63 per cent of the WPI. ...*(Interruptions)*... Please don't mix it up. The question relates to WPI, not to CPI. WPI and CPI, there is a variation of the weightage. For instance, here, for food articles, it is only 15 per cent, the weightage in WPI. Food items has a weightage of 15 plus percentage wherein you take any CPI, whether it is industrial worker, whether it is an agricultural worker, whether it is a rural labour, the weightage of food items in that basket varies from 46 per cent to 48 per cent.

It is bound to vary. Therefore, there will be a divergence of views and divergence of approach. The question relates to the WPI. While dealing with the food items, I have myself admitted that it is a matter of concern that the prices of food items are increasing and we are taking all necessary steps that we can take. But simply I can't bridge the gap of 3-4 million tonnes of pulses if they are not available in the international market. I am just giving monthly figure. ... *(Interruptions)*...

SHRIMATI BRINDA KARAT: What about sugar? It is Rs.40 a kilogram.

SHRI PRANAB MUKHERJEE: Yes, there is a shortfall of sugar. ...*(Interruptions)*...

MR. CHAIRMAN: Please don't interrupt. ...*(Interruptions)*... Please don't interrupt. ...*(Interruptions)*... I am sorry. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: Please don't interrupt. ...*(Interruptions)*... It is a wrong practice. ...*(Interruptions)*... I am not going to yield. ...*(Interruptions)*... It is not permitted here. ...*(Interruptions)*...

MR. CHAIRMAN: Mr. Manohar Joshi. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: I am answering a question. You are nowhere in the question. ...*(Interruptions)*...

MR. CHAIRMAN: Please don't interrupt. *(Interruptions)*... Mr. Vijayaraghavan, you can't get up like that. ...*(Interruptions)*... Please don't get up like that. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: Please don't show your temper in the House. Show your temper somewhere else. ...*(Interruptions)*... Please don't show your temper here. ...*(Interruptions)*... I am not yielding. ...*(Interruptions)*...

MR. CHAIRMAN: Please. ...*(Interruptions)*... Please don't interrupt. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: I am not going to yield. ...*(Interruptions)*...

MR. CHAIRMAN: Please resume your places. ...*(Interruptions)*... Please. ...*(Interruptions)*... There are others who want to put questions. ...*(Interruptions)*... Why are you trampling on their rights? ...*(Interruptions)*... Mr. Vijayaraghavan, please don't shout. ...*(Interruptions)*... Please. Shri Manohar Joshi.

SHRI PRANAB MUKHERJEE: Sir, what I was going to tell the House was that I was answering and completing my answer. There is no need of interruption. If the hon. Members feel something more needs to be clarified, he or she is fully entitled to ask me. But please allow me to complete the answer because I am replying to a question put by somebody else.

My point is that we have taken steps, whatever is possible. But in the case of sugar there is a shortage. As I have mentioned, if there is a shortage of sugar, we are asking that raw sugar should be imported and duty-free import is permitted. But if the international price is high, how could you explain that you would buy it at a higher price in the international market? That is why even private traders are not coming. ...*(Interruptions)*...

MR. CHAIRMAN: Please don't interrupt. ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: He knows that better than me. ...*(Interruptions)*...

MR. CHAIRMAN: Mr. Vijayaraghavan, will you please resume your place? ...*(Interruptions)*...

SHRI PRANAB MUKHERJEE: He knows that better than anybody else....*(Interruptions)*...

MR. CHAIRMAN: Shri Manohar Joshi. ...*(Interruptions)*... Will you please resume your places? Just one minute. I would like to draw the attention of the hon. Members to the fact that only one person can speak at a time. This practice which has developed of interjecting at any point of time is simply not only rude but also a waste of the precious time of the House during the Question Hour. Shri Manohar Joshi. ...*(Interruptions)*...

SHRI BALBIR PUNJ: Sir, what the Government is saying. ...*(Interruptions)*...

MR. CHAIRMAN: Please. You can come and tell me your views a little later, but not now.

SHRI MANOHAR JOSHI: Sir, the hon. Minister has stated in his reply that the Government has taken several measures to control the rise in prices. My question is very specific. I would like to know from the hon. Minister whether the Government is prepared to consider the plight of poor people and whether the Government is going to organise something by which subsidy can be provided to such people who can't afford this rise in prices. Sir, I am putting this question because I experimented this as Chief Minister in the State of Maharashtra. The prices were controlled for five years. I would like to know whether the Government is going to do that.

SHRI PRANAB MUKHERJEE: Sir, we are practically providing subsidy. The hon. Member is fully aware of it. For BPL families, through the Public Distribution System, we are providing rice at Rs.5.60 per kilogram. We are providing, through the Andhyodaya Anna Yojana, rice at Rs.3 per kilogram and wheat at Rs.2 per kilogram. We are providing for these social welfare programmes about 34 lakh tonnes of foodgrains per year. But there must be a vehicle to reach the poor and the vulnerable sections and it is only the Public Distribution System which we have at our command.

Except that, there is no other instrumentality through which we can reach them. I do agree that the rising prices hit the unorganised poor people the most. The organised sector can link it up with some sort of DA formula and other salaried classes can also have some sort of compensation mechanism, but the poor unorganised sector is the worst hit. Therefore, to provide amelioration, food subsidy of nearly Rs. 1,00,000 crore goes towards that so that, at least, the weaker sections of the society are insulated, to some extent, from the adverse impact of the rising prices.

SHRI M. VENKAIAH NAIDU: Sir, it is a very important question. Is the Government ready to approach this entire issue in a three-pronged manner? One, better targeting of subsidies to the vulnerable sections; two, monitoring regularly exports and imports because first we export and then we start importing and say that there is no stock available. Three, it is about long-term policy of increasing production. The Minister was, time and again, stressing on the fact that the production has gone down, not only here but also nearby. Keeping that in mind, is the Government, from long-term perspective and also short-term perspective, prepared for a three-pronged approach? I do not want to join the issue with the senior Minister. Just now the hon. Member quoted from the Congress Manifesto. I am also quoting from the Congress Manifesto. The Congress Manifesto says, "Within 100 days we will try to bring down the prices." The prices are skyrocketing now. What is the specific assurance the hon. Minister wants to give in this regard? The lower middle-class which is not covered by PDS is also one of the worst causalities. Is there any plan with the Government to take care of those vulnerable sections where the sugar is being sold at Rs. 40 per kilogram, rice at Rs. 35 per kilogram, and both the dals, arhar and tur, at Rs. 105 and Rs. 95 per kilogram? Is the Minister aware of this alarming situation?

SHRI PRANAB MUKHERJEE: Sir, prices of some essential commodities are available with me which I can share with the House. For instance, in the Delhi market, the price of rice per kilogram -- I am giving variations — between April and November, was Rs. 20 to Rs. 23; wheat price was Rs. 13 to Rs. 15; atta price was Rs. 15 to Rs. 17; gram dal price was Rs. 34 to Rs. 40; tur dal price was Rs. 59 to Rs. 91; sugar price was Rs. 27 to Rs. 38. *(Interruptions)*. Sir, if you want I can lay the whole list on the Table of the House. *(Interruptions)*.

MR. CHAIRMAN: Let him conclude his reply.

SHRI PRANAB MUKHERJEE: Some hon. Members wanted these figures earlier, that is why I wanted to give these figures. So far as Shri Venkaiah Naidu's question about long-term and medium-term arrangement is concerned, in the past, in fact, we are trying it even from the mid 1980s. A mission mode approach was taken. But unfortunately we could not make a breakthrough. Even our efforts in the production of pulses failed to make a breakthrough. Again we are talking to the agriculture scientists as to how we can do it. Here you shall always have to keep in view that the farmers have an option. They can make a calculation that which particular crop will give him more profit.

Sometimes, as a result of this — sugar is a classical case — you will find that in one particular year, there is glut of sugar and in another year there is shortage of sugar. When there is glut of sugar, sugarcane growers do not get the price. So they do not go for the sugarcane production next year. These types of cyclical disorders have also taken place. But the ultimate answer lies in having more production and for that massive investment in agriculture is needed. We are doing so. In the Eleventh Five Year Plan, massive step up has been given and it is our programme also to step up agriculture investment both in the public and the private sectors so that, at least, agricultural growth continues at the annual average of four per cent. But sometimes, we are hovering between two and two-and-a-half per cent. This year it may be even less because of the adverse monsoon and because of flood and drought. These are the measures which we are taking.

Interest rate on the PSU deposits with banks

*165. SHRI MAHMOOD A. MADANI:
SHRI SANTOSH BAGRODIA:††

Will the Minister of FINANCE be pleased to state:

(a) whether Government has issued any guidelines to the nationalized banks regarding the interest on the deposits from the Public Sector Units (PSUs);

(b) if so, the details thereof;

(c) whether nationalized banks have been accepting such deposits at benchmark rates or less;

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††The question was actually asked on the floor of the House by Shri Santosh Bagrodia.